facilitate transportation of gas available from various sources to different regions in the country which will be utilized by the .core sectors like Power, Fertilizer, Steel and Transport and other small consumers.

Investment made in Sakhalin Project

†74. SHRI RAM JETHMALANI:

SHRI KAPIL SIBAL:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that the O.N.G.C. Videsh Ltd. had made an investment in the Sakhalin Oil and Gas Project of Russia in the recent past;

(b) if so, the total amount invested therein alongwith the estimated dividend on the same;

(c) whether it is a fact that the increase in the production cost of the project has now been estimated; if so, the details of the fresh estimate made; and

(d) what will be the rate of dividend on the invested capital after that?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRIMATI SUMITRA MAHAJAN): (a) to (d) ONGC-Videsh Limited (OVL) has so far invested US$921.31 million (Rs. 4,238 crore, approximately) in the Sakhalin-I Project of Russia. Revision of cost estimates in oil and gas projects is a normal industry practice as the projects progress from the initial exploration phase to the development phase. During this process, costs and schedule get refined, based on factors such as reserve estimates, technological aspects and financial & economic parameters.

ONGC-Videsh Limited (OVL) has informed that in the case of Sakhalin-I Project, the current estimated reserves for oil and gas are higher as compared to the reserves estimated at the time of approval of the project, thus inter alia necessitating higher costs which are not final as of today.

Further, OVL has informed that as per the present scenario, the expected rate of return between 10-12% still remains attractive.

†Original notice of the question was received in Hindi.